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Statement of Rep. Christopher Shays July 25, 2006

Over the course of several hearings and related investigations, our Subcommittee found chronic, dangerous and excessive problems in the Department of Defense (DoD) excess property system run by the Defense Logistics Agency (DLA). We continue to discover problems in this system and they must be corrected.

The mission of DLA is to provide our warfighters what they need to fight our enemies. Unfortunately, the Defense Logistics Agency may be simultaneously supplying the terrorists what they need to fight us.

Four years ago, we discovered DoD had been selling top-grade chemical protective suits to the public while military units were waiting in line to acquire exactly the same gear.

In 2003, we revealed DoD sold items on the Internet that could be used to make a biological warfare agent laboratory. This equipment was sold for pennies on the dollar, making it both inexpensive and easy to buy. At a June 2005 Subcommittee hearing, we learned DoD was transferring, donating or selling excess property in new or good condition at the same time it was purchasing the same or similar equipment.

At that hearing, DoD asserted that offensive, defensive and highly sensitive equipment “could not be bought privately.” We asked the Government Accountability Office (GAO) to investigate whether DoD was right. Posing as private citizens, GAO purchased sensitive military equipment from the DoD liquidation contractor.

Some of the equipment GAO investigators bought or obtained for free is here today:

- A *Time Selector Unit* used to assure the accuracy of global positioning systems. The original acquisition price for this unserviceable, but repairable item was \$343,695. GAO bought the unit for \$65.
- Two *Guided Missile Launcher Mounts* which provide the electrical connection between a missile and its tracker and contain a remote firing mechanism. The original acquisition cost for the two launchers (clearly sensitive military equipment) was \$6246. Our investigators acquired them for free.
- An *All-Band Antenna* which is a high-powered portable unit used by the Air Force to track aircraft. The new, unused antenna had an original cost of \$120,000. This too was provided for free.
- Other sensitive equipment obtained by GAO include *body armor*, *guided weapons radar test sets* used to check the operation of data link antennas on weapons systems and *circuit card assemblies* used in a variety of military systems.

Contrary to the claim of DoD, made at the June 7, 2005 hearing, this investigation confirms sensitive military equipment is being sold or given to the public, posing a serious national security risk. The sensitive nature of these items requires stringent internal security controls, and that is not happening.

The time is long past for marginal fixes to a fundamentally broken system. As supplier to the warfighter, and steward of immense fiscal resources, DoD must have control over the purchase, transportation, storage, use and final disposition of the military inventory. Most importantly, DoD must eliminate any opportunities for unauthorized purchase of sensitive military equipment.

Today we welcome representatives from the Government Accountability Office who conducted the investigation, and Department of Defense officials who will explain the corrective action to prevent sensitive items from being sold or given to unauthorized individuals.

We thank all the witnesses for taking the time to appear before us today.
